A Clouet & Co Pte Ltd & Anor v Maya Toba Sdn Bhd

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO C2064 OF 1984
ZAKARIA YATIM J
17 OCTOBER 1995

Trade Marks *— Infringement of registered trade marks and passing off — Similarity of labels and get-up — Canned fish product — 'Ayam Brand' and colour of label were registered as trade marks — Defendant used 'Botan Brand' with similar label on product — Only 'Botan Brand' was registered trade mark — Whether label included as tarade mark — Whether label common to trade — Whether infringement of trade marks and passing off committed by defendant — Trade Marks Act 1976 ss 3, 22 & 38(1)*

Trade Marks *— Infringement of registered trade marks and passing off — Limitation period — Plaintiffs ought to have known the defendant's use of their get-up for more than six years when they issued writ — Whether action barred — Limitation Act 1953*

In this suit, the first plaintiff was the registered proprietor of the 'Ayam Brand' trade mark in respect of its canned fish product in Malaysia, and the second plaintiff was a licensed user of the trade mark. In December 1976, the plaintiffs had also registered the colours of the label, namely red and yellow, which they had been using since 1960, as their trade mark. The plaintiffs alleged that the defendant's 'Botan Brand' canned fish came into the market since late 1979 with similar get-up using the red and yellow label, and had therefore, been infringing the plaintiffs' trade mark and passing off its canned fish as, and for, the canned fish of the plaintiffs. The defendant, however, contended that: (i) it had been authorized by Mitsui & Co Ltd of Japan, who was the registered proprietors of the 'Botan Brand' trade marks in Malaysia, to use the trade mark; (ii) the shapes, sizes and colour arrangement of the plaintiffs' brand were common to the trade; (iii) there were distinctive differences between the two trade mark and get-up, so that there was no likelihood of any confusion; (iv) it had the prior use of the red and yellow label; and (v) the plaintiffs were time-barred under the Limitation Act 1953, as they ought to have known the defendant's use of the get-up for more than six years when the plaintiffs issued the writ.

Held, allowing the plaintiffs' claim:

(1) On the evidence, the defendant had not proved its claim of prior use. The plaintiffs, on the other hand, had proved that they had started to use the red and yellow label since 1960 (see p 257C).

(2) Section 3 of the Trade Marks Act 1976 defines trade mark to include labels. Therefore, it was proper for the red and yellow label to be registered as a trade mark in relation to the canned fish product of the plaintiffs (see p 257F).

(3) The registration of the plaintiffs' trade marks was valid in law. The registration was renewed, and was still subsisting (see p 257F).

(4) The words, 'Ayam Brand' and 'Botan', were quite distinct from each other as seen by the literate eye. These marks, however, were not an issue before this court. What was in issue, was whether the defendant's red and yellow label has infringed the plaintiffs' red and yellow label (see p 257H). A

(5) Applying the visual test, the defendant's red and yellow label had infringed the plaintiffs' red and yellow label under s 38(1) of the Trade Marks Act 1976. It used colours identical with the plaintiffs' in the course of trade, and in such a manner as to render the offending mark likely to be taken as being used as a trade mark. The red and yellow label was distinctive of the plaintiffs' product. The defendant had passed off its goods as that of the plaintiffs' (see p 257I and 258A–C); *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188, *Sodastream Ltd v Thorn Cascade Co Ltd & Anor* [1982] RPC 459 CA and *F Hoffmann-La Roche & Co, AG & Anor v DDSA Pharmaceuticals Ltd* [1972] RPC 1 CA followed. B C D

(6) No evidence was adduced to support the submission of the counsel of the defendant that the red and yellow label was common to the trade (see p 258H).

(7) Any defence available to the defendant would only go to the question of damages, as this is a case of continuing infringement of the plaintiffs' trade marks (see p 259B). E

[Bahasa Malaysia summary

Dalam guaman ini, plaintif pertama merupakan pemunya tanda niaga 'Cap Ayam' berkenaan dengan keluaran ikan tin mereka di Malaysia, dan plaintif kedua pula merupakan seorang pengguna tanda niaga tersebut yang berlesen. Pada Disember 1976, plaintiff juga telah mendaftarkan warna labelnya, iaitu merah dan kuning, yang mereka telah gunakan sejak 1960, sebagai cap niaga mereka. Plaintif mendakwa bahawa ikan tin 'Cap Botan' defendan telah memasuki pasaran sejak lewat 1979, dengan menggunakan hiasan yang sama, iaitu label merah dan kuning, dan oleh itu, telah melanggar tanda niaga plaintif dan telah kelirupaan ikan tinnya sebagai, dan untuk, ikan tin plaintif. Walau bagaimanapun, defendan berhujah bahawa: (i) ia telah diberikan kuasa oleh Mitsui & Co Ltd, Jepun, yang merupakan pemunya tanda niaga 'Cap Botan' di Malaysia, untuk menggunakan tanda niaga tersebut; (ii) bentuk, saiz, dan penyusunan cap plaintif adalah biasa dalam perniagaan yang berkenaaan; (iii) terdapat perbezaan tersendiri antara kedua-dua tanda niaga dan bentuk tersebut, dan dengan itu tidak berkemungkinan berlakunya sebarang kekeliruan; (iv) ia telah menggunakan label merah dan kuning tersebut lebih awal daripada plaintif; (v) plaintif telah dihalang oleh had masa di bawah Akta Had Masa 1953, kerana mereka F G H I

A sepatutnya tahu tentang penggunaan perhiasan tersebut untuk lebih daripada enam tahun apabila plaintif mengeluarkan writ.

Diputuskan, membenarkan tuntutan plaintif-plaintif:

(1) Berdasarkan keterangan, defendan belum membuktikan tuntutan
B bahawa ia telah menggunakan cap niaga yang terlibat lebih awal daripada plaintif. Sebaliknya, plaintif telah membuktikan bahawa mereka telah menggnakan label merah dan kuning tesebut sejak 1960 (lihat ms 257C).

(2) Menurut seksyen 3 Akta Cap Dagangan 1976, label termasuk
C dalam tafsiran tanda niaga. Dengan itu, label merah dan kuning wajar didaftarkan sebagai tanda niaga keluaran ikan tin plaintif (lihat ms 257F).

(3) Pendaftaran tanda niaga plaintif adalah sah di bawah undang-
D undang. Pendaftaran tersebut telah diperbarui, dan masih wujud (lihat ms 257F).

(4) Perkataan 'Cap Ayam' dan 'Botan', adalah agak berlainan daripada satu sama lain dari pandangan seorang yang celik huruf. Walau bagaimanapun, tanda-tanda tersebut bukan merupakan isu yang harus dipertimbangkan oleh mahkamah. Isu yang harus
E dipertimbangkan, ialah sama ada label merah dan kuning defendan telah melanggar label merah dan kuning plaintif (ms 257H).

(5) Mengikut ujian penglihatan, label merah dan kuning defendan telah melanggar label plaintif-plaintif. Defendan telah
F menggunakan warna yang sama seperti yang digunakan oleh plaintif sewaktu menjalankan perniagaan, dan dalam cara yang menyebabkan tanda itu mungkin dianggap sebagai suatu tanda niaga. Label merah dan kuning itu tersendiri kepada barang keluaran plaintif. Defendan telah mengelirupaan barang
G keluarannya sebagai barang keluaran plaintif (lihat ms 257I dan 258A–C); *Fabrique Ebel Societe Anonyme v Syarikat Tukang Jam City Port & Ors* [1988] 1 MLJ 188; *Sodastream Ltd v Thorn Cascade Co Ltd & Anor* [1982] RPC 459 CA dan *F Hoffmann-La Roche & Co, AG & Anor v DDSA Pharmaceuticals* [1972] RPC 1 CA diikut.

H (6) Tidak ada keterangan yang dikemukakan untuk menyokong penghujahan peguam defendan bahawa label merah dan kuning tersebut adalah biasa dalam pernigaan yang berkenaan (lihat ms 258H).

I (7) Sebarang pembelaan yang ada pada defendan hanya relevan kepada soalan ganti rugi, kerana ini merupakan suatu kes perlanggaran yang berterusan terhadap tanda niaga plaintif (see p 259B).]

Notes

For cases on infringement and passing off, see 12 *Mallal's Digest* (4th Ed) paras 832–865; [1989] Mallal's Digest 1531–1534; [1990] Mallal's Digest 1209; [1991] Mallal's Digest 2004; [1992] Mallal's Digest 1705–1710; [1993] Mallal's Digest 1325–1330; [1994] Mallal's Digest 2188–2203.

Cases referred to

F Hoffman-La Roche & Co, AG & Anor v DDSA Pharmaceutical Ltd (1969) [1972] RPC 1 CA

Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors [1988] 1 MLJ 188

Sodastream Ltd v Thorn Cascade Co Ltd & Anor [1982] RPC 459 CA

Legislation referred to

Limitation Act 1953

Trade Marks Act 1976 ss 3, 22, 38(1)

VL Kandan and *Michael Soo* (*Shearn Delamore & Co and Drew & Napier*) for the plaintiffs.

Porres Royan and *June Lee Bee Foong* (*Shook Lin & Bok*) for the defendant

Cur Adv Vult.

Zakaria Yatim J: In this suit, the first plaintiff claims that it is the registered proprietor of the trade mark, 'Ayam Brand' label, in respect of its canned fish product in Malaysia. The second plaintiff is a permitted and licensed user of the said trade mark in Malaysia. The plaintiffs are alleging that the defendant has been infringing the said trade marks and passing off its canned fish as, and for, the canned fish of the plaintiffs.

The first plaintiff is a limited company incorporated under the laws of the Republic of Singapore, with a place of business at No 33, Wallich Street, Singapore 2. The second plaintiff is a limited company incorporated in Malaysia, with its registered office at 468-11, Jalan Ipoh, Kuala Lumpur. The defendant is a limited company incorporated in Malaysia, with its registered office at No 20-1, Jalan Pinggir, Kuala Lumpur, and a place of business at No 10, Jalan SS 13/3F Subang Jaya, Selangor.

The first plaintiff claims that it is the registered proprietor or applicant for registration of the following trade marks in Malaysia:

(a) M/73818 in class 29 'Ayam Brand' label (tall tin);

(b) M/73819 in class 29 'Ayam Brand' label (oval tin) (pending registration); and

(c) M/73821 in class 29 'Ayam Brand' label (medium size tin).

The second plaintiff claims that it is the licensed user of the said trade marks in Malaysia in respect of mackerel (the said goods). According to the first plaintiff, its predecessors in title had been distributing the said goods from as early as 1892. In 1940, the first plaintiff registered its 'Ayam Brand' trade mark in Malaysia under trademark registration No M/4488. Since 1960, the second plaintiff had been distributing the said goods in Malaysia and elsewhere. The plaintiffs contend that they have acquired a very substantial reputation and goodwill in Malaysia in respect of the said trade marks and the get-up in relation to the said goods and have caused the said trade marks to become associated or identified with a referable to themselves and have acquired a joint property right to the exclusion of others. The plaintiffs allege that the defendant had been infringing the said trade marks and passing off its canned fish as, and for, the canned fish of the plaintiff.

The defendant admits that the name of the first defendant appeared on the three registered trade marks but denied that the registration of the said trade marks was valid and subsisting. The defendant contends that it had been authorized by Mitsui & Co Ltd of Japan to use the 'Botan Brand' trade marks in Malaysia in respect of canned fish. Mitsui & Co are the registered proprietors of the following trade marks in Malaysia, namely, (i) M/68789 in class 29 'Botan Brand' label; and (ii) S/19089 in class 29 'Botan Brand' label. These trade marks, at all material times, have been valid and subsisting. According to the defendant, the shapes, sizes and colour arrangements of the 'Ayam Brand' & 'Botan Brand' are similar but the shapes, sizes and colour arrangement are common to the trade in question. The defendant, however, maintains that there are distinctive differences in the trade mark and get-up of the plaintiffs' 'Ayam Brand' and that of the defendant's 'Botan Brand' product. By reason of the material differences, there is no likelihood of any confusing similarity or resemblance in the get-ups of the products in question, and as such, the defendant denies that it has infringed the plaintiff's trade marks or passed off their fish product as and for the canned fish product of the plaintiffs. The defendant claims prior use of the red and yellow label. The defendant also contends that the red and yellow label was common to the trade.

The evidence adduced by the plaintiffs is that, the first plaintiff was incorporated in Singapore in 1892. The company was founded by a Frenchman, Mr Alfred Clouet, who had served in the French Foreign Legion. The main product of the company was canned sardine and other fish. The trade mark of the company's product was a cockerel based on the French emblem. The company sold its product in Malaysia and Singapore. In the early years, the company imported the fish from France. From the early years, the company used a red and green label. Later, it imported fish from California. When the supply from California was depleting, it turned to South Africa. The company changed the label on its product to red. When Malaysia banned the import of South African products, the company turned to Japan. It bought fish from three Japanese companies, Mitsui

Ltd, Maruberi and Mitsubishi. These three Japanese companies were already selling canned fish with their own trade marks. Mitsui & Co had the 'Botan' trade mark. Mitsubishi's trade mark was three diamonds. Both used red label on their cans. The first plaintiff too had a red label. In 1960, it decided to change its label to red and yellow colours. The company bought canned fish from the Japanese companies and requested them to use the red and yellow label exclusively for its product. In 1974, the company stopped buying fish from Mitsui & Co because the latter had increased its price. The company bought its fish from elsewhere and continued to use the red and yellow label.

In 1976, it applied to register the red and yellow label as its trade mark. The registrar of trade marks ('PW3') confirmed that she issued the certificates of the registered trade mark numbers M/73818 in class 29 in respect of mackerel, M/73819 in class 29 in respect of sardines; and M/7382 in class 29 in respect of mackerel and sardines in the same of the first plaintiff. The certificates of the three trade marks were effective from 21 December 1976. The registration of the three trade marks had been renewed for a period of 14 years from 2 December 1983. The registrar testified that the trade marks were limited to colours, namely red and yellow, as shown in the representation on each of the application forms.

According to the first plaintiff, from 1960, it was the only company selling canned fish with a red and yellow label. The canned fish product was sold in different sizes. The fish were packed in tall tins, in big and small oval cans and in jitney and buffet sizes.

The plaintiffs contend that Mitsui & Co's product of canned fish, 'Botan', came into the market in late 1979 with similar get-up using the red and yellow colours.

The managing director of the defendant company testified that he joined the company in July 1977. The defendant company started distributing 'Botan' canned fish when he joined the company. When the defendant company started distributing the product, the colour of the label was red and yellow. Another defence witness told the court that in 1976, the defendant sold 'Botan' canned fish. The colours of the label were red and yellow. He said that the 'Botan' canned product was distributed by the defendant company. In 1977, the price of the 'Ayam Brand' was higher than the price of the 'Botan' product.

After considering the evidence, I am satisfied that the plaintiffs started to use the red and yellow label on their 'Ayam Brand' fish product from 1960. The plaintiff's trade mark in relation to the colours red and yellow were registered with the registrar of trade marks in December 1976. The registered trade mark Nos are, M/73818 in class 29, M/73819 in class 29 and M/73821 in class 29. Mr P Royan, counsel for the defendant, in his written submission (at p 2), admitted that it was in 1976 that 'Mitsui started to have the label of their 'Botan' canned sardines distributed in

Malaysia changed from a single red colour background to the new red and yellow background.' He added that it was also around that time that the defendant company was incorporated. He also said that the defendant started to distribute 'Botan' canned fish from mid 1977.

The defendant claimed prior use of the red and yellow label. The defendant sought to justify its claim through the testimony of DW1, the general manager of Toyo Seikan Kaisha, the canners of Mitsui Co Ltd, to show that the defendant had used the red and yellow label prior to the plaintiffs. I find that, on the evidence, the defendant had not proved its claim of prior use. The plaintiffs, on the other hand, had proved that they had started to use the red and yellow label since 1960.

I shall now deal with the question of whether the registration of the first plaintiff's trade marks is valid in law. The defendant contends that the said trade marks were associated, directly or indirectly, with a registered trade mark, No M/4488 (the cockerel device), which had been assigned together with the whole of the goodwill by the first plaintiff to one Sari Societe Commercials Pour Le Riz Et L'Industrie SA in May 1977. I do not accept the defendant's contention. The plaintiffs are not alleging infringement or passing off the cockerel device, but they are alleging infringement and passing off in respect of the red and yellow label. At the trial, Mr Royan did not cross-examine the registrar of trade marks on the question of assignment. His questions were confined only to the issue of the association of marks. In her evidence, the registrar said the association of trade marks was permitted by s 22 of the Trade Marks Act 1976.

In my opinion, the registration of the said trade marks was valid in law, and that the registration was renewed, and is still subsisting.

The trade marks were registered under the Trade Marks Act 1976. Section 3 defines a trade mark to mean a mark used or proposed to be used in relation to goods to indicate the connection between the goods and the proprietor. The Act defines 'mark' to include label. Therefore, it is proper for the red and yellow label to be registered as a trade mark in relation to the canned fish product of the first plaintiff.

The question for me to consider now is, whether there has been an infringement of the first plaintiff's trade marks, or whether the use of the red and yellow label by the defendant amounts to a passing off at common law. I have examined the trade marks, and I find that the words, 'Ayam Brand' and 'Botan', are quite distinct from each other as seen by the literate eye. These marks, however, are not an issue before this court. What is in issue, is whether the defendant's red and yellow label has infringed the plaintiffs' red and yellow label.

I have compared the first plaintiff's product with the defendant's product, and applying the visual test, I find that the defendant's red and yellow label has infringed the first plaintiff's red and yellow label under s 38(1) of the Trade Marks Act 1976. I am satisfied that the defendant

used the colours identical with the plaintiffs' colour. The defendant had not been authorized or licensed by the plaintiffs to use the said colours. The defendant used the said mark in the course of trade. The defendant used the colours in respect of a product which has been registered. The defendant used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trade mark. See *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188. I find that the red and yellow label is distinctive of the plaintiffs' product: *Sodastream Ltd v Thorn Cascade Co Ltd & Anor* [1982] RPC 459 CA.

I am also satisfied that the defendant has passed off its goods as the goods of the plaintiffs. In *F Hoffmann-La Roche & Co, AG & Anor v DDSA Pharmaceuticals Ltd* [1972] RPC 1 CA, Russell LJ in his judgment at p 22 said:

> The learned judge came, I think, to a like conclusion; and I should like to read one passage to show the way in which he does. He says:
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> > It seems to me that in connection with these repeat orders there is upon the evidence every likelihood of confusion if the defendant is allowed to market capsules identical in shape and colour with those of the plaintiffs; that is to say, a patient who has hitherto obtained the plaintiffs' capsules on a prescription for CDP will ask his doctor for a repeat, and the doctor will perfectly properly once again give him a prescription for CDP, then in turn the pharmacist will perfectly properly supply the defendant's CDP capsules, and indeed, will be likely to use them, as the Ministry encourages doctors and pharmacists to provide the cheaper of alternative preparations. The patient will take it for granted that the capsules, being of the same shape and colours as before, are the same capsules as those which he had before, and he will not return them, as he probably would do if the capsules were of a different shape and colour.

Now, I myself never received from the defendant a satisfactory answer to the plain question, why does it wish to market its goods in green and black? I can only answer that it wishes so to do in order to attract to itself some part of the plaintiffs' goodwill and trade on their reputation and in fact, to represent to the public that its goods are the goods of the plaintiffs. That, in my judgment, is exactly the classic case of passing-off.

Mr Royan claimed that the defendant had prior use of the red and yellow label. I am satisfied from the evidence of PW1 that the first plaintiff started to use the red and yellow label in 1960.

Mr Royan also submitted that the red and yellow label was common to the trade. I find no evidence adduced to support this submission.

The defence referred to the minute differences in the details between the plaintiffs' label and the defendants' label. These minute details are in respect of non-registerable matter on the labels. In any event, these minute

details make little or no difference as they are insignificant as far as the visual impact of the red and yellow colours.

The defendant contended that the plaintiffs were time-barred under the Limitation Act 1953. According to the defendant, the plaintiffs ought to have known the defendant's use of the get-up for more than six years when the plaintiffs issued the writ. I agree with Dato' Kandan that any defence available to the defendant would only go to the question of damages, as this is a case of continuing infringement of the plaintiffs' trade marks.

After considering all the evidence and all the circumstances in this case, I make the following order:

(1) An injunction to restrain the defendants whether by themselves, their directors, servants or agents or any of them, or otherwise, howsoever, from doing the following acts or things, or any of them, that is to say:

(a) infringing the first plaintiffs' registered trade marks no M/73818, M/73819 or M/73821.

(b) passing off or attempting to pass off or causing, enabling or assisting others to pass off canned fish of the defendants as, and for, the canned fish of the plaintiffs by the use of in the course of their trade, a get-up similar to, or which is a colourable imitation of, the get-up used by the plaintiffs by incorporating therewith and/ or using in connection or in association therewith their get-up a red and yellow design label with indicias, displays, symbols, or colour arrangements which are confusingly similar to those of the plaintiffs' get-up.

(c) importing, manufacturing, distributing, selling and/or offering for sale and/or enabling or assisting others to do likewise canned fish in oval, medium or tall tins with colour and word arrangements consisting of a red and yellow design label with a get-up confusingly similar to, or is a colourable imitation of, the get-up used by the plaintiffs in connection with their canned fish.

(2) An order for full discovery of all relevant documents, particularly invoices, contracts, customers' records, sales records, delivery orders, customs declaration forms and shipping documents and other documents relating to the defendant's import, manufacture, sales and offers for sale of and otherwise connected with their canned fish.

(3) An order for the delivery up, or destruction upon oath, of all the defendant's canned fish in oval, medium or tall tins or otherwise in the possession, power, custody or control of the defendant that constitute an infringement of the first plaintiffs' said registered trade marks or a passing off of the defendant's canned fish as, and for, the canned fish of the plaintiffs.

(4) An enquiry as to damages or at the plaintiffs' option an account of profits and payment to the plaintiffs of all sums due upon taking such enquiry or accounts.

(5) The defendant will pay the costs of this action to the plaintiffs.

Order accordingly.

Reported by Isabel Liong